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## COOPERATION IN THE CLOTHING INDUSTRY

EARL DEAN HOWARD

Labor Manager for Hart, Schaffner and Marx

A GENERATION ago the clothing industry was at the bottom of the social scale, while today a large part of it rivals any other for progressiveness, high standards, and modern methods. No other industry can show so tremendous a leap from the sweatshop, starvation wages, helpless servility, to the present system of industrial law and orderly government, now in various stages of development in the different markets. It is very natural for one to question: How can light or leading come out of this despised industry, composed of the scum of European immigration and mostly small, greedy employers, all mercilessly lashed by desperate competition—how can a prophet come out of Nazareth? Perhaps it is the law of reaction, that a movement or tendency *too* extreme inevitably brings its opposite.

Thirty-five years ago in Chicago, Joseph Schaffner with his partners, entered the then almost disreputable clothing business on a modest scale, determined to operate on higher standards in relations with dealers and consumers. National advertising, a daring experiment in those days, was a means. In less than twenty-five years that policy, backed up by faith which carried it over dubious moments, created the largest clothing concern in the world.

In 1910 all this achievement was threatened with disaster from an unexpected quarter; the industrial relations problem emerged suddenly. A stubborn revolt of the clothing workers of the city, long smoldering unsuspected, broke out like a conflagration and could not be extinguished. To his astonishment, Schaffner, who had so unanswerably demonstrated that idealism in merchandising was practical, indeed wondrously profitable, discovered that he was pilloried as a slave-driver, an exploiter of sickly women and helpless men.

The shock to this shy, abnormally sensitive nature was cataclysmic. He was a merchant, manufacturing was inciden-

tal, and the whole subject of labor problems was an unknown quantity. In striking contrast to Judge Gary, under quite similar circumstances, he thrust aside his industrial managers who had, no doubt unconsciously, blinded his eyes to the realities, and he determined to do again what he had done twenty-five years before, to redeem the business from the reproach of which he had just become aware.

Convinced that exact knowledge of conditions and of economic science was essential, he organized a labor department of which I have the extraordinary good fortune to be director. Its function was to clear the manufacturing department of all reproach, to prevent further strikes, to translate ethical ideals of righteousness and justice into practicable policies and programs—in short, to represent the conscience of the proprietor, continuously functioning as part of the administrative machinery of management. It was a recognition of the change coming in our industrial system, unconsciously felt ten years ago but now so apparent to open eyes, and an effort to adopt business organization to the change.

The rebellion of the workers had occurred because of the blindness of the management; naturally there could have been no intelligent measures taken to prevent it. Combustible material, in the form of unsettled grievances and bad practices, had been allowed to accumulate, waiting for a spark to start the fire. The job of the Labor Manager was to discover these dangerous things whenever they occurred in forty separate shops. The only way this could be done was to establish direct contact with the workers through selected spokesmen courageous enough to face the bitter, subtle and constant hostility of the shop managers. For communication of this sort meant criticism, sometimes against personal misconduct of executives. Attempts from above to correct abuses thus uncovered often had a paralyzing effect upon efficiency by weakening the authority of shop management. It finally became a problem of reforming managerial methods, making over or eliminating the managers—a very much bigger task than any of us had bargained for.

Just as the individual person is a combination of angel and devil and must seek outside restraints against the evil in his own human nature, so in a business organization, the evil in-

herent in the business code, and in false and ignorant ideas concerning efficiency, and in the narrow intelligence of the foremen, must be restrained. Our own ideas of justice were perverted by self-interest, so a board of arbitration and eventually an inferior court, or Trade Board, developed as a final authority in every dispute, to correct our errors and hold us up to a higher standard of justice than we could attain unaided. Mr. Schaffner never had the conceit to imagine he knew better than the workers what was good for them. Professor H. A. Millis, of the Department of Economics, University of Chicago, Chairman of the Board of Arbitration of the Chicago Clothing Market, is the supreme authority in all matters touching the interests of the workers.

The spokesmen for the workers in the shops naturally developed leadership and cooperated among themselves for self-protection. This led to organization and the problem of unionization was upon us. Should we allow it to develop or should we substitute something else for it? The idea of shop committees and joint councils was attractive for a time.

Among the spokesmen was a young Russian Jew, by name, Sidney Hillman, who early disclosed a talent for constructive leadership and a spirit of sweet reasonableness which won our confidence. Ultimately he organized what has become the Amalgamated Clothing Workers of America. With this nucleus in Hart, Schaffner and Marx joined a majority of the workers in New York and other markets, disgusted with the old union, betrayed by their leaders, and beguiled by the union-label device which had become a chain to hold them in subjection.

The Amalgamated has never been a "tame" union. Its members are the most radically minded and class-conscious workers in this country, and its leaders must always be aggressive. The Labor Department is the shock absorber of the steady pressure upon management, utilizing that pressure to improve the efficiency of management and the criticisms as suggestions for further adaptation of the business to the changing order. The leaders, on the other hand, interpret the management to the people, protect the individual worker, represent the workers' side before the board of arbitration, and persuade the workers that they are getting a square deal; for if any

injustice exists, the leaders are jointly responsible. The open-shop campaign has made us tolerably familiar with the shortcomings of unions and unionism. Mr. Rowntree is helping us to realize that there are hidden resources there which we may some day utilize in stabilizing industry and in securing efficiencies now unattainable.

The establishment of a mechanism for the systematic settlement of complaints and disputes—first the Labor Department, then the judicial boards—stimulated by a strong union inevitably led to the development of standard practices which we call our industrial law. Decisions were rendered on the basis of usage and custom; these became precedents and, like the English Common Law, grew into a codified system of law. This law governs us instead of the dominant will of either employer or union—both parties yield to it.

For eight years this system was permitted to develop unhampered by external entanglements. The hostility of the clothing manufacturers secured for us a splendid isolation. While we were content, the Amalgamated was not. Finally, in 1919, the union became so universally dominant that the employers in the principal markets embraced the Hart Schaffner and Marx System more or less completely, as a protection, or under pressure. A new phase began.

Under the leadership of Mr. Felix Frankfurter, Mr. Samuel Weill, of Rochester, and other far-sighted men, the constitutionalizing of the clothing industry began. Agreements with the Amalgamated were made, impartial chairmen or boards of arbitration were installed, labor managers were employed in the principal markets—New York, Chicago, Rochester, Baltimore, Boston and Canadian cities. A National Federation of Clothing Manufacturers was organized to protect the weaker markets and deal with the Amalgamated on even terms. After a time, Professor Willard E. Hotchkiss, an able administrator, was appointed National Director.

Then came the business slump of 1920. The New York market, with its 1500 small manufacturers, not yet out of the contract stage of production, still smarting from the defeat which had driven them to accept the system, encouraged and deceived by the open-shop propaganda, engaged a union-fighting lawyer at an enormous fee, broke with the National

Federation, threw out the impartial chairman and labor managers and started in to smash the Union. The result of the six months' warfare was a victorious union, financial embarrassment for many manufacturers, a half-ruined market filled with unemployed people, a lapse back toward industrial barbarism, to a degradation almost as bad as that of the building trades, and a movement of manufacturing plants away from the city. Boston and Baltimore were dragged along part way, Rochester and Chicago refused to follow.

The value of experience lies in the lessons it teaches. The clothing industry is exceedingly rich in accumulated experiences on the frontiers of industrial progress. Some of these may be tentatively formulated.

Houses and markets have prospered or failed under the system in the same proportion as they have grasped and applied the ideals which made it a success in Hart, Schaffner and Marx.

Leadership among employees tends to correspond in reasonableness, idealism, competency and economic doctrine to the leadership in the management.

Every management should include some element, sensitive to the just grievances of the employee, thoroughly informed at all times of the conditions of work and the relations between foremen and workers, understanding the economic and social tendencies of the time, resourceful in devising arrangements to meet difficulties and tremendously interested in making the organization render the maximum of service to every person concerned—customers, stockholders, managers—but equally with these, the workers.

It is a mark of good sense to buy ready-made clothing, but your industrial relations system should be developed to fit the house or the association.

The influence of a just man, with firm faith in the practicability of ideals, has infinite possibilities of expansion.

Industry must learn what all history teaches, that the domination of human will in human relation leads to contention, warfare and destruction. We must all submit to the rule of law, interpreted and applied by the most competent human agencies, informed by social science, and derived from the highest ethical principles—which is the same as saying, the will of God, so far as we can know it.

This recital may leave you with the feeling that we have gone a long way in industrial experimentation. After ten years of it our feeling is that we have just gotten through the kindergarten. We have ideas, in fact, completed plans, for the experiments in future time by which we expect to reduce friction to a minimum, to assign more responsibility to the chosen representatives of the workers, to serve the public better and to give even greater security to the employee than he now has. We propose to utilize union discipline, class solidarity, trained leadership for greater industrial efficiency, and the elimination of waste, all for the common benefit of all concerned.

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